



9 December 2013

Funding Facility

Penrice Soda Holdings Limited (Penrice) (ASX: PSH) is pleased to announce that it has agreed to terms for a \$2 million funding facility to be provided by TMPA Investment Trust (TMPA), a special purpose vehicle representing a private investor. The facility is for the purpose of funding working and maintenance capital in order to continue Penrice's business transformation. The facility as to \$1 million is to be drawn down immediately to meet short term working capital needs.

Penrice Managing Director and CEO, Guy Roberts, said "Penrice's business transformation has incurred some one-off capital and cost overruns in the first quarter as the new chemicals plant was commissioned, however in the second quarter the benefits of the company's new business model are beginning to show. The soda ash losses of the past have been stopped with the closure of the soda ash plant. The bicarbonate plant is running at planned production rates with bicarbonate sales also in line with plan. In the new lime business, the new lime plant is running at planned production rates, with sales commencing and market acceptance building in line with expectations. This is a transition year aimed at bedding down the restructure and a raft of operational and sales changes and things are progressing."

Mr Roberts said, "Despite the under budget first quarter bedding down the restructure, Penrice still expects improved earnings in FY2014, subject to economic conditions. FY2015 will still be the first full year of earnings uplift following the business transformation of FY2013, with a forecast upside to the current year."

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The company has entered into a binding term sheet with TMPA under which TMPA will provide up to AU\$2 million to the company under an unsecured convertible note facility. The terms of the convertible notes will be;

Term - 3 years with Penrice option to extend for a further 3 years with TMPA's consent

Coupon - 10.0% per annum

Interest - paid in cash or capitalised at Penrice election. Interest payable 3 monthly

Conversion Price - AU\$0.10 per share

Conversion Terms - Convert in part or in full into ordinary shares at TMPA's election

Redemption - Redeem in part or in full prior to conversion at Penrice election

Other significant terms are;

- The facility is subject to the condition precedent of obtaining all necessary approvals.
- Entering into a long form contract incorporating term sheet, to satisfaction of all parties.
- Conversion is subject to all necessary approvals being obtained. If conversion is required by TMPA, to the extent the shares can be issued without shareholder approval, those shares will be issued. Thereafter, Penrice will convene a shareholders' meeting to obtain any required approvals.

Mr Roberts said "Penrice continues to seek to restructure its existing debt load. Further updates will be given when appropriate to do so."

For more information visit the company's website at www.penrice.com.au or contact Mr Guy Roberts, Managing Director & CEO, Penrice Soda Holdings Ltd, +61 8 8402 7239.

About Penrice

Penrice Soda Holdings Limited (ASX: PSH) is a world leading manufacturer, marketer and exporter of sodium bicarbonate. It manufactures and markets lime for Australian industry. It imports and distributes soda ash throughout Australia through its joint venture, Pro Asia Pacific. It also operates a limestone mine, supplying quarry products and industrial minerals in South Australia. The Company is committed to driving shareholder value through the manufacture and supply of a range of world-class products across a variety of industries and countries including packaging, building and construction, mining, detergents, food and personal care, stockfeed and environmental control/water purification.

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